



RULE-MAKING ORDER

CR-103 (June 2004)
(Implements RCW 34.05.360)

Agency: Department of Labor & Industries

☒ **Permanent Rule**
☐ **Emergency Rule**

Effective date of rule: November 1, 2004

Permanent Rules

☒ 31 days after filing.
☐ Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Effective date of rule:

Emergency Rules

☐ Immediately upon filing.
☐ Later (specify) _____

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

☐ Yes ☒ No If Yes, explain:

Purpose: **Employer Fraud and Abuse** - The legislature passed Chapter 243, Laws of 2004 (ESHB 3188) clarifying an employer's liability to the Department of Labor and Industries for premiums, overpayments, and penalties. This adoption implements this legislation and adds four new risk classifications.

New Section:

WAC 296-17-31030 (1) Defines "a major part" with regard to successorship; (2) Addresses multiple successorship; and (3) Defines intangible property.

Amended Sections:

WAC 296-17-31004 (1) Explains prime contractor liability; (2) Provides criteria prime contractor protection; (3) Defines what the law means by "in Good Standing"; (4) Tells how to know when an account is in "Good Standing"; (5) Establishes time line for checking accounts; and (6) Established prime contractor liability

WAC 296-17-31013 Prime contractors and Construction contractors

WAC 296-17-52102 Add sub code "99" to classification 0510

WAC 296-17- 517 Add sub code "99" to classification 0502

WAC 296-17-52002 Add sub code "99" to classification 0507

WAC 296-17-52150 Add sub code "99" to classification 0550

Citation of existing rules affected by this order:

Repealed: 0

Amended: 6

Suspended: 0

Statutory authority for adoption:

Chapter 243, Laws of 2004(ESHB 3188), RCW 51.04.020 (General Authority), RCW 51.16.035 (Classification Plan)

Other authority : N/A

PERMANENT RULE ONLY (Including Expedited Rule Making)

Adopted under notice filed as WSR 04-14-081 on July 6, 2004.

Describe any changes other than editing from proposed to adopted version:

WAC 296-17-31030- added a paragraph explaining when successorship comes into place.

WAC 296-17-517 Classification 0502- changed references; "drainboard" to "countertop" and "rugs" to "carpet" to adhere to flooring industry standard terms.

Corrected numbering of WACs.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting: No cost benefit analysis was required.

Name: _____ phone () _____

Address: _____ fax () _____

e-mail _____

EMERGENCY RULE ONLY

Under RCW 34.05.350 the agency for good cause finds:

☐ That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.

☐ That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

Date adopted: September 28, 2004

NAME (TYPE OR PRINT)

Paul Trause

SIGNATURE

Director

CODE REVISER USE ONLY

WSR#04-20-023

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Federal rules or standards:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Recently enacted state statutes:	New	1	Amended	<u>6</u>	Repealed	<u>0</u>

The number of sections adopted at the request of a nongovernmental entity:

New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted in the agency's own initiative:

New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	_____	Amended	<u>6</u>	Repealed	_____
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The number of sections adopted using:

Negotiated rule making:	New	1	Amended	<u>6</u>	Repealed	<u>0</u>
Pilot rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Other alternative rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>